

INTRODUCTION

1.1 Background

- a. Please clarify how the number of transferees might affect the scope and cost of this project overall.
DRS will provide all members with access to all transfer education materials. The number of members who choose to transfer will not affect DRS' expected distribution of transfer education materials.
- b. What is the rationale for launching education and training one year prior to the first transaction?
DRS' experience with implementing two previous plans, that were similar to PERS Plan 3, was that one year is an adequate time for a member to research and make their transfer decision.
- c. What was the budget for the prior choice programs (TRS and SERS)? Is there a specific budget set aside for this program (total cost and/or a per member maximum)?
Sufficient budget exists to conduct the Transfer Education Program.
- d. Are DRS plans subject to ERISA? Or, do state laws govern the funding and expenditure rules of the plans?
DRS plans are not subject to ERISA. There are state laws which govern the funding and expenditure limits of DRS plans.
- e. As part of the education program, will the Vendor be allowed to market funds?
No. The Employee Retirement Benefits Board (ERBB) recommends member investment options to the Washington State Investment Board (WSIB) which makes the final decision on investment options.

1.2 Purpose

- a. Are there other firms with which the Education Service Vendor may need to work? If yes, who are these potential partners?
The RFP has been written such that DRS may contract with a different vendor for each of the five product modules. If multiple contracts are awarded, each vendor would be expected to work with the others. Selected Education Service Vendor(s) will also be expected to work with the PERS Plan 3 third party record keeper, in addition to other governmental agencies identified in the RFP.

- b. What vendors have been asked to respond to this RFP?
- c. How many vendors was the RFP sent to?

260 vendors either received a copy or were notified of the RFP.

1.6 TRS/SERS Plan 3 Defined Contribution Summary

- a. When do you expect to finalize the design and investment alternatives?

Member contribution rates and investment alternatives are expected to be very similar, if not the same, as the options available in SERS. The transfer payment percentage is the most likely area where changes may occur. Plan features have been established by the Washington State Legislature. Only contribution rate options and the investment options must be established. The Washington State Investment Board establishes the investment options on advice from the ERBB. The EERB establishes contribution rate options.

1.7 Transfer Education Process

- a. How many unions have members who are currently participating in PERS 2?

DRS is aware of three separate unions that currently represent PERS members. It is likely that other unions also represent PERS Plan 3 members. However the total number is unknown.

- b. Would respective collective bargaining agreements potentially mandate different information in different locations?

No.

- c. How many different employers currently employ union members?

Unknown.

- d. Would these respective employers potentially mandate different information in different locations?

No.

- e. What language(s) in addition to English would be required for successful communication?

This is not known at this time. Education Service Vendors should include in their provision to provide translation services as needed and requested by members and DRS.

- f. Should all print materials be designed in a large-font format to address visually impaired employees, or should the Education Service Vendor create communications in both large and regular font sizes?

Vendor should base their proposal on past experience with creating publications for this type of demographic.

- g. What would be included in the definition of 'disability'?

It is expected that products and services provided by DRS and contracted Education Services Vendors will be ADA compliant upon request of the member or employer.

- h. What is the approximate quantity of communications materials needed in Braille?

DRS has no information concerning the quantity of communications materials needed in Braille for the PERS Plan 3 transfer education program. DRS can report that in the SERS Plan 3 transfer education program, three requests were received to provide communication materials in alternate formats.

1.8 New Member Plan Choice Education Process

- a. Is there a difference between the plan choice education packet and the written plan information?

The plan choice education packet described briefly in 1.8 is also described in detail in 2.2.1a PERS 3 Informational Mailing.

- b. Members who do not elect to transfer to PERS Plan 3 have the opportunity to transfer to Plan 3 in subsequent years if they earn service credit in January. For members who do not transfer during Phase 1 (March 1, 2002 through August 31, 2002), what will be their first subsequent opportunity to transfer: 2003 or 2004? If 2003, is education for those members part of this contract?

The first opportunity for this group to transfer will be in January 2003. Vendor should not include costs for education of these members as part of this contract.

2. SCOPE OF SERVICES

- a. What criteria should the Education Service Vendor use to develop ongoing maintenance fees or should the vendor be prepared to provide future services and submit new fees at that point? Please clarify the concept of maintenance.

The vendor should use their judgement and the information provided in the RFP to develop maintenance fees, if any. The cost information provided by the Vendor in the Cost Form is expected to apply for the

Period of Performance described in RFP Section 1.3. Section 1.3 allows for contract extensions. For the purposes of this RFP maintenance includes the activities necessary to keep the product accurate and in good working order.

2.1 DRS Member Communication Activities

- a. Please describe your internal approval process and timeline for communications content (for example: the scripts for in-person group education sessions) and modeling software.

As was described in 2.1 DRS Member Communication Activities, it is expected that the Education Service Vendor will prepare the first draft of all communication materials according to input provided by DRS communications staff. DRS will be responsible for review, comment, and approval and may request significant edits and redrafting of materials. Respondents should assume that there will be three drafts of materials required. The Education Service Vendor will also be required to provide communication materials to DRS in file formats that DRS can use to ensure files are efficiently exchanged between DRS and the Education Service Vendor.

The length of time allotted for the review process will be based on the amount of information to review.

In the case of the Modeling Software, Vendors would have additional review process because a review from the Office of the State Actuary will also be required.

- b. Shall respondents bid on the second newsletter as a component of the printed communications module?

No.

2.2 Modules

- a. How much adaptation and modification is anticipated between the two training modules?

The Transfer Education and New Member Plan Choice Programs will require significant revision.

- b. Please explain the concept of "update materials." Might these include reprint and new distributions?

"Update materials" will include, but is not limited to, incorporating legislative changes and changes in business requirements. Depending on the severity of the changes, this may include reprinting and redistributing.

- c. Please clarify the phrase "services provided at vendor's expense."

In 2.2 Modules, the RFP states, "In all modules, assume services provided are provided at the vendor's expense unless another party is specifically charged with financial responsibility." This means that all costs associated with all aspects of that module will be the responsibility of the vendor – unless the RFP specifically states another vendor, or DRS, will pay costs.

- d. Even without the last 3 months of call/web activity, the utilization for SERS seems lower than the utilization for TRS. Are there any reasons that you have uncovered for the difference?

The SERS transfer window does not close until February 28, 2001. A high percentage of TRS transfers occurred in the last month of the transfer window. DRS notes that SERS has a higher percentage of members attending the Transfer Education seminars than TRS.

2.2.1 Written Materials Module

- a. Please clarify your thoughts on how a print mailing might include a form that can be submitted via email?

The statement in Section 2.2.1a was intended to read "This mailing must include a form that the member can mail or fax to request available supplemental materials, as decided by DRS, such as a modeling diskette and/or video. Vendor must also be able to receive, process and reply to requests for these materials if sent by e-mail."

- b. What is the rationale behind offering the modeling software on diskette (rather than exclusively via download)?

Not all of the members have access to the Internet.

- c. What is the rationale for including diskettes in Transfer Decision Packet mailing if they are distributed on request?

DRS has not determined if we will mail the software and video to every member, or if we will distribute based on member requests. Therefore we are asking Vendors to provide a bid based on three distribution options. The distribution pricing options are described in the RFP section 2.2.1a on page 17.

- d. How many years would annual costs apply and should there be a fixed annual fee?

Refer to RFP Section 1.3 Period of Performance for the number of applicable years. Complete the Cost Form for In-Person Education Materials (2.2.1.b.).

- e. Please define "vendor will work with DRS to ensure materials are received."

If a member has not received materials in a timely manner, vendor will be responsible for re-mailing to that member. If DRS has concerns about members receiving materials, Vendor will be responsible for confirming that all members and/or employers have received materials.

2.2.2 Modeling Software Module

- a. How much data do you anticipate driving the modeling software?

The software must enable members to compare the benefits they can expect to receive from each plan. Members supply personal data to the model, and also select values for certain model parameters from a range allowed within the model.

Personal input items include:

- Current age.
- Current earnings.
- Current payroll withholding (if effect on pay is to be calculated).
- Account balance as of a defined date.
- Retirement service credit as of a defined date.
- Gainsharing sum, if applicable.

Parameters that must be chosen by the member from a range offered by the software include:

- Contribution level.
- Investment rate of return while working.
- Investment rate of return after withdrawal starts.
- Age at separation from service.
- Age at retirement (drawing DB).
- Age to start withdrawing DC contributions.

Additionally, the member should have the option of looking at alternatives to a standard table-driven life expectancy estimate for DC life-expectancy payment stream, including joint life expectancy and certain age.

- b. Will employees be entering their own data or will the software be drawing from an existent database?

It is expected that members will enter their own data.

- c. Would the DRS be interested in providing PERS members with a transfer education service that would give them a forecast of the percentage chance that they will reach their retirement income goal based on whether they decide to transfer or not? This service would help them determine their

retirement income goal and also incorporate all of their household investments (not just their DRS/DCP investments).

If this service was provided in addition to the services outlined in the RFP, DRS would review the proposal for potential merits.

- d. Would the DRS consider offering a Modeling Software Module with the features mentioned above if it is completely Internet based, but was of significantly higher value to PERS members?

No, we require the Software be available in an executable format.

- e. Would the DRS consider offering a Modeling Software Module with the features mentioned above, and also including specific investment advice for the self-directed portion of the plan?

If this service was provided in addition to the services outlined in the RFP, DRS would review such a proposal for potential merits.

- f. Will members be receiving a personal statement that outlines their personal data and an initial comparison of the financials of PERS 2 vs. PERS3? If not, is there any other resource for an initial personalized comparison or data to enter into the modeling tool?

DRS anticipates providing a letter to all members with appropriate data to allow members to utilize the modeling software.

- g. Will plan members receive pension statements comparing Plan 2 to Plan 3? If so, how do members receive these statements – online or via a mailing? Will the Vendor have access to these statements?

No. Members will use the modeling software to compare their projected situations under PERS Plan 2 and Plan 3 to help them make their transfer/choice decision.

- h. Is the modeling software vendor expected to provide technical support for the tool? What are the support requirements?

Yes. As stated in the RFP, Vendors must provide an hourly rate for maintenance to the software, to accommodate changes that may be required after the software has been approved or is in production. If bugs are detected in the software, the Vendor will be expected to correct the bugs at no charge to DRS.

2.2.3 Video Module

- a. May we obtain a copy of the ETI video produced for the TRS program?

Yes.

2.2.4 Web Site Module

- a. Is there a Web site infrastructure currently in place?

Although DRS operates its own web site, it is expected that the Education Services Vendor awarded the PERS Plan 3 web site will implement a separate site as described in RFP Section 2.2.4 Web Site Module.

- b. Is there an existing design template to which the vendor must adhere?

DRS would expect Vendor to adhere to some basic Standards and Guidelines. Site must provide equal access to all members, including those with older browsers that do not support frames, tables, JavaScript, etc. Site development should comply with Washington State's standards for Universal Web Design (<http://www.w3.org/TR/1999/WAI-WEBCONTENT-19990505/full-checklist.html>) and meet the first level priorities of Web Content Accessibility Guidelines 1.0 as recommended by the World Wide Web Consortium (W3C) (<http://www.w3.org/TR/WAI-WEBCONTENT/>).

- c. Will the Initial Transfer Education Web Site be maintained separately from the New Member Plan Choice Web Site?

DRS anticipates one site, with different information provided for the two different audiences. If a Vendor feels they can provide a better service by maintaining the sites separately, they should include an explanation of their rationale in their proposal.

- d. Are there any plans to add transactional capabilities to either site? If so, what capabilities and would they need to tie into legacy data systems?

There are currently no plans for transactional capabilities.

- e. Would you please clarify what you mean on page 23 when you write "the Web site must include any actions affecting the plans..."?

"Any actions affecting the plans" will include, but not be limited to, legislative changes, changes in business requirements or changes in delivery of materials.

- f. Could you please clarify what you mean on page 24 when you write "The selected Education Service Vendor will be responsible for working with DRS, the PERS Plan 3 record keeper and other Education Service Vendor(s) to host the work of other Education Service Vendors."?

All vendors working on the PERS 3 Project will be required to work together to achieve plan goals. The Web site vendor will be responsible for hosting materials produced by the other Educational Service Vendors, including the modeling software, seminar schedule, and electronic versions of written materials publications.

- g. Will the site built and maintained by the Education Service Vendor be required to exchange (receive or transmit) data with the record keeper? If so, will this need to be done on a daily basis?

No, DRS does not require that the site transmit data with the record keeper.

- h. Could you please clarify what you mean on page 24 when you write "The Education Service Vendor will also be responsible for providing consistent information and presentation."?

Like all services produced under this RFP vendor will be required to provide clear, unbiased and uniform information about both plans. DRS also requires clean and uniform design elements or "look and feel."

- i. Could you please clarify what you mean on page 24 when you write "Materials must also be accessible to individuals with disabilities"?

Web site must be accessible for all members. Vendors who submit proposals for the Web site module must provide an equal level of service to members with disabilities. This will include, but is not limited to, ensuring site accessibility for members with physical disabilities (e.g. screen reader browsers and navigation by keyboard commands).

- j. How much bandwidth would most users have at work and at home (i.e. can they adequately support streaming video, etc.)?

DRS has no information regarding member Internet access transmission rates either in the work place or at home.

2.2.5 Support Services Module

- a. On page 26 you indicate that the "telephone service number must be TDD/TTY capable". Do these capabilities have to be maintained for all hours of operations, i.e. 8:00am to 6:00pm Pacific Time, or can they be offered on a limited hour basis?

TDD/TTY must be available for all hours of operation.

- b. What percentage of the calls should be answered within 30 seconds?

100 % during the hours of operation stated in the RFP.

- c. On page 27 you indicate that ESV's should explain how they will "accommodate requests for non-English language services." Do you know which specific non-English languages will need to be accommodated?

- d. On page 51 of 61 and on page 53 of 61, there were references to needing materials and in-person group meetings in other languages. What other languages will be needed? Is there a need for a sign language interpreter to

be present at any site? During the TERS and SERS choice programs, what % of materials was converted to other languages?

DRS has no information concerning the quantity of communications materials needed in other languages for the PERS Plan 3 transfer education program. DRS can report that in the SERS Plan 3 transfer education program, three requests were received to provide communication materials in alternate formats.

- e. Will the ESV or the employer or DRS be responsible for securing locations/rooms for the group education sessions? Who will be responsible for the costs of the locations/rooms?
- f. In the RFP, we noticed that Vendor would be responsible for the administration and delivery of the group meetings and individual meetings. With respect to the administration, is it accurate to assume DRS would secure the meeting sites and Ayco would take care of enrolling members?
- g. For in-person group education sessions, do the employers and unions secure the sites for sessions? Are the costs for rooms covered by the employers and unions? Is equipment (projector, screen, flipcharts) also secured by and paid for by the employers and unions? Are the technology costs for teleconferencing paid for by the employers and the unions?
- h. Are there any special scheduling requirements for union locations for scheduling group and individual sessions?

The Education Services Vendor(s) is responsible for securing the session sites. If there is a cost for the site, the Education Services Vendor(s) is responsible for payment. Similarly, the Vendor is responsible for all costs associated with enrolling members, session equipment and teleconferencing.

The expectations are that the Education Services Vendor(s) will coordinate the scheduling of education seminars with employers and unions to help inform members of the seminars. The expectation is not that the Vendor will necessarily use employer or union facilities to conduct the seminar.

- i. On page 13 of 61 under Current Member Transfer Education, there is a reference to regular workshops and retirement seminars that DRS conducts as well as investment education seminars that the Plan 3 record keeper will conduct. What is the timetable and/or schedule for these meetings? Will they be conducted before, during or after the Vendor Plan Choice meetings?

DRS Retirement seminars are held year round and do not deal with plan choice issues. Investment Education Seminars, hosted by the Plan 3 record keeper, are expected to begin in the first three months

of 2002. The end date for Investment Education Seminars has not been set.

- j. In the RFP, you referenced that meetings were to begin after 5:00 p.m. with occasional daytime meetings. We also noticed on the website, that ETI conducted meetings mainly after 4:00 p.m. Were group meetings mandatory? Were all meetings done on a member's own time? Were spouses invited to attend? Were meetings well attended?

Group meetings were not mandatory. In some locations members were able to attend workshops on work time, but most attended on their own time. Spouses were invited to attend. Meetings have been well attended.

- k. After logging on to the website, we noticed that the group meetings for the SERS program were approximately 2 hours in length. Are there any guidelines on the length of the PERS group meetings?
- l. How long do you expect the education sessions to last?
- m. What is the anticipated length of the in-person group education sessions? What is the length of the current sessions? Are the answers the same for Initial Transfer Education Sessions and New Member Plan Choice Education Sessions? Do the answers include the hour available at the conclusion to address the specific questions of individuals?

We expect In-Person Group Educational Sessions to be slightly longer than SERS workshops, approximately 2.5 hours. This anticipates 1.5 hours for presentation, and one hour available for questions. If questions do not last one hour, session will wrap-up early. This timeframe will be the same for Initial Transfer Education Sessions and New Member Plan Choice Sessions.

- n. We noticed that for the TERS and SERS program, no individual sessions were held. What prompted the inclusion of individual meetings for the PERS program? For pricing purposes, how many individual meetings should we assume?

Individual sessions are being discussed because members have requested more individual counseling opportunities. In the RFP we ask vendors to assume 9 sessions at each In-Person Education Session.

- o. The RFP questionnaire states that our fee proposal should include travel as part of the overall fee for in-person group meetings and individual sessions, but the cost sheet and sample contract indicate the Vendor will bill for travel separately. Which way would you like us to price the travel? In order to make an accurate fee proposal, we will need a copy of the travel guidelines.
- p. Should travel be part of the rate for conducting in-person seminars and individual sessions?

For purposes of this RFP, please include travel on the Cost Sheet as a separate line item. Travel guidelines are available from the Office of Financial Management site at <http://www.ofm.wa.gov/policy/10.htm>

- q. The Education Service Vendor will promote group sessions by providing posters. How many posters should be provided? How many separate locations would they be sent to?

For pricing purposes, Vendors can assume 3 posters to each employer location.

- r. Do you anticipate that any of the 125 meetings for new member plan choice education sessions will be provided back to back in the same location? Over what time period do you expect these new member sessions to be held?

Some meetings could be held back to back as appropriate to meet member needs. Vendors bidding on the New Member Plan Choice sessions would be under contract until June 2003.

- s. For the group and individual sessions, is the expectation for evening and Saturday meetings the same for both Phase 1 and Phase 2?

Yes.

- t. Are there any special scheduling requirements for union locations for scheduling group and individual sessions?

No.

- u. Will the telephone counselors be able to have access to the modeling tool on the Web in real time with a super pin?

No, DRS does not expect to provide PINs for the software because the software is not expected to self-populate. Telephone counselors will have normal public access to both the Web version and executable desktop versions of the Modeling Software.

- v. The RFP describes the capabilities for telephone support. Can you expand on capabilities for e-mail support?

Expected e-mail capabilities are the similar as those for telephone support services with the recognition that response time is affected by the communication mode. DRS would expect that e-mail would be responded to within one business day.

2.2.6 Optional Online Tutorial

- a. What percentage of the member population is 'wired' in the workplace; at home?

DRS has no information regarding the percentage of member population with access to the Internet either in the work place (Members work in 900 different locations) or at home.

- b. For the optional online tutorial, please provide a description of your technology infrastructure. What kind of workstations do members have?

DRS has no information about member workstations.

- c. How many members have computer access?

DRS has no information about member computer access.

- d. Do members have Internet and/or Intranet access?

DRS has no information about member Internet/intranet access.

- e. Is your technology support organization in-sourced or out-sourced?

DRS technology support is in-sourced.

- f. What kind of workstation operating system are you using?

DRS is currently using Windows 95 and anticipates upgrading to Windows 2000 in 2001.

- g. Are you doing any online learning now? If so, what type of applications are you using now?

No. DRS has no information about member online learning or applications.

3. EDUCATIONAL SERVICE VENDOR QUALIFICATIONS

- a. On page 32 you indicate that 'Respondents must indicate their understanding and agreement to this by signing the Certification and Assurances statement, which is Exhibit A at the end of this RFP.' This statement appears to have been omitted from the RFP. Is this correct?

This is an error in the RFP. The Certification and Assurances Statement is located in Appendix 3, not as stated in Exhibit A. A signed copy of the Certification and Assurances Statement must be included with the Vendor's proposal as indicated in RFP Section 4.3 Proposal Format.

6. QUESTIONNAIRE FOR PERS 3 TRANSFER /NEW MEMBER PLAN CHOICE EDUCATION PROGRAM

6.2 Company Information

- a. What if an Education Service Vendor is prohibited from releasing their company business plan?

RFP Section 6.2 Company Information, Question 1 requires Education Service Vendors to supply a copy of your company's strategic business plan. Failure to comply with the requirement will result in the proposal's elimination from further consideration.

9. EVALUATION AND CONTRACT AWARD

9.7 General Terms and Conditions

- a. Understanding that ETI was the Education Services Vendor for the TRS and the current SERS Choice programs, is DRS required to re-bid the PERS business?

Yes

9.10 Proprietary Information/Public Disclosure

- a. During the RFP process, will all sample materials be treated as confidential and proprietary information of the bidding Vendor?

RFP Section 9.10 Proprietary Information / Public Disclosure, describes Vendor's actions for designating portions of their response exempt from public disclosure. Vendors should note that designating the entire proposal as confidential is not acceptable, will not be honored, and may result in the proposal's disqualification.